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June 5, 2006

VIA EXPRESS MAIL

Ms. Elizabeth O'Donnell, Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

RECEIVED

JUN 06 2006

PUBLIC SERVICE  
COMMISSION

**RE: In The Matter Of:**

**CONSIDERATION OF THE REQUIREMENTS OF THE FEDERAL ENERGY  
POLICY ACT OF 2005 REGARDING TIME-BASED METERING, DEMAND  
RESPONSE AND INTERCONNECTION SERVICE, CASE NO. 2006-00045**

Dear Ms. O'Donnell:

Enclosed for filing in the above-captioned case are the original and ten (10) copies of the Testimony of Marlon Cummings on behalf of Metro Human Needs Alliance in the above styled case. I certify that copies of these documents have been served on the attached service list.

Please confirm your receipt of this filing by placing the stamp of your office with the date received on the enclosed additional copy and return it to me in the enclosed self addressed stamped envelope.

Thank you for your assistance in this matter. Please contact me if you need further information.

Sincerely,

Lisa Kilkelly  
Staff Attorney

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**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**RECEIVED**  
JUN 06 2006  
PUBLIC SERVICE  
COMMISSION

**In the Matter of:** )

**CONSIDERATION OF THE )**  
**REQUIREMENTS OF THE FEDERAL )**  
**ENERGY POLICY ACT OF 2005 )**  
**REGARDING TIME-BASED METERING, )**  
**DEMAND RESPONSE AND )**  
**INTERCONNECTION SERVICE )**

**CASE NO.**  
**2006-00045**

**TESTIMONY OF**  
**MARLON CUMMINGS**  
  
**CHAIRMAN**  
**BOARD OF DIRECTORS**  
**METRO HUMAN NEEDS ALLIANCE**

**Filed: June 5, 2006**

1 **Q. Please state your name, title and address.**

2 **A.** My name is Marlon Cummings and I am Chairman of the Board of Directors of  
3 Metro Human Needs Alliance, Inc. (“MHNA”). My business address is 1113 South  
4 Fourth Street, Louisville, Kentucky 40203.

5

6 **Q. Please describe MHNA.**

7 **A.** Metro Human Needs Alliance (MHNA) was first organized in 1974 as a federation of  
8 several church social agencies. In 1988, it became the Metro Human Needs Alliance  
9 with a membership that is open to all community nonprofit and governmental  
10 agencies serving low-income households and individuals in the Louisville Metro  
11 (Jefferson County) area. Today, 35 organizations are MHNA members. Member  
12 agencies provide or are associated with emergency financial assistance, transitional  
13 housing, and case management services. They share a commitment to advocacy on  
14 issues affecting low-income people and prevention of homelessness. Affordable  
15 utility service is one of the three priority issues.

16

17 **Q. Describe MHNA’s activities regarding utility issues.**

18 **A.** Nineteen of our member agencies provide utility assistance to low income persons  
19 year round. Our agencies help clients negotiate payment plans with the utility  
20 companies when they fall behind, and help them avoid utility disconnections. The  
21 agencies obtain funding from donations and local governments grants. These  
22 agencies also distribute Community Winterhelp funds from January through April  
23 each year.

1 MHNA utility assistance providers routinely refer customers to the federal LIHEAP  
2 program when it is in operation. MHNA also submits an annual report to the state  
3 stating the number of households served and the total dollar amount of financial  
4 assistance. MHNA is one of the joint applicants for the current Louisville Gas &  
5 Electric Company Home Energy Assistance Program and has been involved with  
6 previous energy assistance programs in the Louisville area, such as the All Seasons  
7 Assurance Plan, from 1997 to 2001.

8

9 **Q. Describe your employment and educational background.**

10 **A.** Currently and for the past ten years I have been Executive Director of Jeffersontown  
11 Area Ministries, which is one of the member agencies of MHNA and which provides  
12 emergency utility and rental assistance and a variety of other social services to  
13 residents in the Jeffersontown area. I have been on the Board of Directors of MHNA  
14 since 1996. I served the Jeffersontown Christian Church (Disciples of Christ), from  
15 1985 until 1996, as the Family and Youth Minister. I have a Bachelor of Arts in  
16 Business from Bellarmine University and received my Minister's license from the  
17 Kentucky Region of the Christian Church (Disciples of Christ) in conjunction with  
18 the Lexington Theological Seminary.

19

20 **Q. Have you previously testified before the Commission?**

21 **A.** No.

22

23 **Q. What is the purpose of your testimony?**

1 I offer this testimony to share with the Commission our concerns about time-based  
2 metering and demand response programs as they could impact low-income residential  
3 customers.

4  
5 **Q. What have you observed regarding the ability of low-income customers to pay**  
6 **their utility bills?**

7 **A.** I have observed that low-income customers are facing higher utility bills than in the  
8 past. In previous years, our agency saw many clients seeking assistance for \$200 and  
9 \$300 bills, and a \$600 bill was high. This past winter, we have seen bills of \$700 and up,  
10 and even as high as \$1,900. We believe that recent rate increases, and last winter's spike  
11 in gas costs have contributed to these increases in our clients' bills. Our clients are facing  
12 higher energy costs but their incomes are not keeping up.

13

14 **Q. What is MHNA's position on time-based pricing programs?**

15 **A.** While MHNA does not oppose time based pricing programs on principle, it would  
16 oppose any such programs that would result in higher costs to low-income residential  
17 customers. As described above, we have seen our low-income clients experiencing  
18 dramatic increases in their energy costs, and we urge the Commission not to approve  
19 programs that would cause further increases.

20 MHNA would oppose any time-based programs in which residential customers would  
21 be required to participate. The reason for this opposition is that mandatory participation  
22 may result in low-income customers facing higher costs, depending on the type of  
23 program developed. Customers could face higher costs from having to pay for the cost of  
24 smart meters and higher rates, but they may not have the ability to shift usage to lower

1 cost time periods. For example, many of our clients are elderly, disabled or unemployed,  
2 and as a result are at home during the day. They do not have the ability to take advantage  
3 of a time based rate program by shutting off the air conditioning during peak hours of the  
4 afternoon.

5 **Q. Should the Commission adopt the time-based pricing standard in the EAct**  
6 **2005?**

7 **A.** It is MHNA's understanding that the time-based pricing standard in EAct 2005  
8 would require each utility to offer each customer class and provide upon request a time-  
9 based rate schedule and to provide each customer requesting a time-based rate with a  
10 meter capable of enabling the utility and the customer to offer and receive such a rate.

11 If, in order to meet the time based pricing standards, utility companies would have to  
12 impose costs on nonparticipating customers such as for system-wide infrastructure  
13 improvements in order to be able to offer these programs even on a voluntary basis, then  
14 MHNA would oppose the imposition of the standards by the Commission.

15

16 **Q. Should the Commission mandate any type of time based pricing?**

17 **A.** The Commission should not mandate any type of time based pricing program, which  
18 would be mandatory or impose costs on nonparticipating customers.

19

20 **Q. Would MHNA oppose the development of pilot programs to further develop**  
21 **time based pricing programs?**

1 A. No, so long as such pilot programs did not require mandatory, as opposed to  
2 voluntary, participation by residential customers and so long as costs would not be  
3 imposed on nonparticipating customers.

4 **Q. Does this conclude your testimony?**

5 A. Yes.

6

